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A Summary of Current Program  
and Report of Progress

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DEVELOPMENT AND TRADE

ANALYSIS DIVISION

of the

ECONOMIC RESEARCH SERVICE

UNITED STATES DEPARTMENT OF AGRICULTURE

U. S. DEPT. OF AGRICULTURE  
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C & R-PREP.

This report of the current program and report of progress of U.S.D.A. research is primarily a tool for the use of scientists and administrators in program coordination, development and evaluation; and for use of advisory committees in program review and development of recommendations for future research programs.

The summaries of progress on U.S.D.A. research include some tentative results that have not been tested sufficiently to justify general release. Such findings, when adequately confirmed, will be released promptly through established channels. Because of this, the report is not intended for publication and should not be referred to in literature citations. Copies are distributed only to members of Department Staff, Advisory Committee members and others having a special interest in the development of public agricultural research programs.

This report also includes a list of publications reporting results of research completed in the Development and Trade Analysis Division, Economic Research Service, U.S.D.A. between October 1, 1962 and September 30, 1963. Development and Trade Analysis Division research analyses are published in The Farm Index; Foreign Agricultural Trade of the United States; and Foreign Gold and Dollar Reserves.

UNITED STATES DEPARTMENT OF AGRICULTURE  
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## INTRODUCTION

Foreign development and trade analysis research is concerned with four areas: Effects of foreign economic development on agriculture; appraisal of agricultural export programs and market development; monetary and financial analyses of trade and economic development programs and policies; and, the analysis and evaluation of United States and world agricultural trade. The research objectives are the appraisal and the evaluation of the economic implications of policies and programs on U.S. foreign trade in agricultural products and the efficient use of excess U.S. produced food and other resources in economic development programs abroad. This information is employed in the formulation of national policies, positions, and programs in the areas analyzing the effects of foreign economic development on agriculture; expanding markets and outlets for U.S. agricultural exports; evaluating the implications of monetary and financial policies and programs on agricultural trade; and analyses of agricultural trade prospects and developments.

Research on foreign economic development and trade analysis is carried out in the Development and Trade Analysis Division of the Economic Research Service of the U.S. Department of Agriculture. During the period of this report--October 1, 1962, to September 30, 1963--approximately 27 professional man-years were devoted to research in the areas of foreign economic development and trade analysis, distributed as follows: 0.5 professional man-years to the role of agriculture in foreign economic development programs; 0.5 to effects of economic development upon patterns of foreign trade; 0.5 to impact of rural institutions and land policies on economic development; 7.0 to impacts of foreign production, consumption, and marketing policies on agricultural development and trade and agricultural productivity analysis; 1.5 to the effects of EEC agricultural policies on U.S. agriculture; 2.5 to effects of Public Law 480 on economic development and trade; 1.0 to analysis of alternative food programs in meeting world food needs; 0.5 to the role of food aid in economic development; 0.5 to interrelationships of domestic and U.S. export programs; 1.0 to financial and monetary aspects of agricultural trade and P.L. 480 programs; 0.8 to the study of agricultural development banks abroad; 0.5 to evaluation of international commodity agreements; 2.5 to special economic studies on financial and monetary programs involving agriculture; 5.5 to the analysis of U.S. agricultural trade situation; and 1.6 to the analysis of U.S. and world agricultural trade statistics including research on the effects of EEC on U.S. agricultural trade, and to the analysis of world agricultural prices.

Exports of agricultural products are of major importance to U.S. agriculture and the U.S. balance of international payments. Agricultural exports in fiscal year 1963 totaled a near record \$5.1 billion. Volume was equal to the record level established in fiscal year 1962. These exports were equivalent to about 15 percent of cash receipts from farm marketings. They represented the production of one acre out of every five harvested. U.S. agricultural exports accounted for slightly over one-sixth of all agricultural commodities entering world trade. Expanding foreign markets for U.S. agricultural products is of major national concern. The research achievements in these areas have provided the information needed to formulate policies, positions, and programs designed to strengthen an important segment of the nation's economic life. A few examples from the research areas covered in this report are presented here:

Near record agricultural exports 1962-63. A continuing analysis of the current status and outlook for U.S. agricultural exports reveals that exports for the fiscal year ending June 30, 1963, totaled \$5,084 million, 1 percent below the record in 1961-62. Commercial sales for dollars totaled \$3,545 million compared with \$3,487 million in the previous fiscal year. Exports under government-financed programs (Food for Peace) accounted for 30 percent of total agricultural exports and were estimated at \$1,539 million compared with \$1,655 million in 1961-62. Title I, P.L. 480 sales for foreign currency rose to a record \$1.1 billion, and donations under Title III also increased. Decreases in exports occurred under barter, donations under Title II and Agency for International Development (AID) program shipments. Substantial increases in the exports of dairy products, meats and meat products, feed grains, rice, oilseeds and products and vegetables were responsible for maintaining the near-record level of agricultural exports. The rise in these exports was approximately offset in value by significant declines in exports of cotton, wheat, wheat flour, poultry meat, tobacco, and inedible tallow.

Impact of EEC's variable import levies. United States agricultural exports to the European Economic Community (EEC) since the imposition of variable import levies declined 10 percent from the year-ago level. The August-July 1962-63 total was \$1,079 million compared with \$1,204 million a year earlier. Commodities subject to the variable levies as a group were down 26 percent. These commodities include wheat, wheat flour, and poultry meat. Exports of feed grains to the EEC declined 4 percent reflecting a sharp decrease in exports to the EEC area in April through June of 1963. In prior months exports of feed grains were well ahead of the previous year's level. The system of variable levies brought about major reductions in exports of wheat flour and poultry meat. A two-thirds decline in exports of U.S. wheat grain reflected mainly the record level of wheat production in the EEC. In 1961-62 Italy imported an unusually large quantity of U.S. wheat because of a poor crop.

Exports of commodities not subject to the variable levies declined 1 percent in August-June 1962-63 from a year earlier. Most of the decline was in cotton exports reflecting a nearly 2 million bale production increase in the foreign-free world, and a decline in EEC consumption.



An analysis of the long-term effects of EEC grain policies indicates that U.S. agriculture is likely to gain a larger share of the EEC market for feed grains but may lose a share of the EEC market for wheat. The foundation of the EEC farm income support policy is the grain program. Projecting EEC grain (wheat and feed grain) production, consumption, and trade for the year 1970, at which time the agricultural policies of the EEC member countries are to be fully unified, U.S. exports of wheat to the EEC as projected will drop to 0.4 metric tons in 1970 from an average of 1.1 million metric tons in 1957-59. U.S. exports of feed grains to the EEC will probably rise to 3.7 million tons in 1970 as compared with an average of 2.9 million in 1957-59. Both these estimates assume the continuation of present EEC national policies.

Analysis indicates Title I and Title IV, P.L. 480 programs have decided impacts on monetary systems of developing countries. The monetary impact of U.S. agricultural commodity assistance in recipient countries may be deflationary, inflationary, or neutral depending upon the means of marshaling and expending the funds required in financing economic development and the time periods involved. It was found that in recipient countries purchasing surplus U.S. agricultural commodities where (1) official U.S. Government expenditures are relatively small, (2) earnings of convertible exchange are expected to be meager both in the short and long run, and (3) payment for agricultural commodities with local currency can be made without adverse effects on the domestic monetary situation, a Title I sales program is likely to be the most beneficial to the economic development of the recipient country as well as to the payments position of the United States. If official U.S. Government expenditures in the recipient country are of such magnitude as to provide the recipient country with a net dollar gain after repayment for U.S. surplus agricultural commodities it becomes advisable from the point of view of the recipient country to enter into a sales agreement under Title IV, P.L. 480.

In countries where the U.S. Government has an exceptionally large military and economic assistance commitment, foreign currencies acquired through the sale of surplus agricultural commodities under Title I could be utilized almost immediately in financing part of these operations. This utilization of foreign currency without the necessity of purchasing such currency with dollars is beneficial to the U.S. balance of payments. Under a Title IV program the annual repayment of dollars may be so small as to be less beneficial to the U.S. balance of payments than foreign currency acquired through a Title I program. A large downpayment and shorter repayment schedules may permit Title IV agreements to give greater short-run benefit to the U.S. balance of payments but such terms are not likely to be accepted by recipient countries and Title I will most likely continue of greater benefit to the United States when its needs for local currencies are substantial.

Survey of P.L. 480 program operations in Brazil. U.S. shipments of wheat and flour under P.L. 480 accounted for over one-fourth of Brazil's wheat consumption from 1955 through 1962. Declining domestic production since 1959 along with increased requirements have increased the country's need for wheat

imports. This increased need was supplied by P.L. 480 since Brazil did not have the foreign exchange needed to purchase wheat from other exporting countries such as Canada. The two largest traditional suppliers, Argentina and Uruguay, were unwilling or unable to supply enough wheat to Brazil on terms previously extended under the bilateral arrangement that was in effect in the early 1950's. Uruguay became a net wheat importer after 1957 and Argentina was able to export all available wheat on commercial terms during the P.L. 480 period. Total wheat imports from friendly suppliers other than the U.S. remained at about the same level during the P.L. 480 period as during the previous four years.

U.S. agriculture benefits from foreign economic development. Traditionally, the best overseas markets for U.S. agricultural commodities are the more developed countries, but in the long run, the less developed countries are potential markets for much larger quantities of U.S. agricultural commodities. How rapidly markets expand in the low income countries depends upon how fast these nations achieve economic growth. The relationship between levels of economic development and agricultural trade is indicated by comparing the per capita income, exports and imports of all products in 1959-60. Such a comparison reveals that per capita income and trade were 6 times larger for the developed countries than for the less developed countries. Agricultural exports per capita were only 3 times larger, but agricultural imports were about 9 times larger in the developed countries. These data suggest that in low income countries agricultural imports would be substantially increased with higher levels of income and economic development. It is important to note that a large proportion of our agricultural exports to the less developed countries are financed under P.L. 480 programs; however, if these developing countries achieve income growth, an increasing proportion of U.S. agricultural commodities could be sold on a commercial basis.



AREA NO. 1

EFFECT OF FOREIGN ECONOMIC DEVELOPMENT ON AGRICULTURE

Problem. Economic improvement of agricultural production and marketing is a major objective of development plans of low income countries. Generally, in these countries agricultural employment accounts for 60-80 percent of total employment and a third or more of national income. Research is needed to provide a more accurate measure of progress made in improving agricultural output and productivity under such plans and to provide a broader basis for gauging the effects of outside assistance, especially on the production, consumption and trade in farm products. Many foreign countries are reappraising or revising their agrarian structures, an issue which is becoming an increasingly important one in most underdeveloped countries and in which the U.S. Government is taking an increasing interest. Research is needed to analyze systematically and continuously the problems inherent in the present system of land and water resource use, of tenure and other agrarian institutions in these countries, and to bring out the probable effects of changes in the land system on their economic growth in general and their agricultural development and trade in farm products in particular. Farm production, price, and marketing programs and policies of foreign countries have important impacts on foreign trade and market outlets for U.S. farm products. Comprehensive study of these programs and policies is needed to provide an informed basis for evaluating their effects on economic growth and development of agriculture as well as of the national economy of foreign countries and for expanding market prospects for U.S. farm products.

PROGRAM

A. Role of Agriculture in Foreign Economic Development Programs. In many underdeveloped countries the agricultural sector contributes as much as 40-60 percent of total national product. Under these conditions, improvement in agricultural production will be an important part of development programs designed to raise the level of economic growth and incomes in these countries. Improved knowledge of the role of agriculture in economic growth is essential if the efforts of underdeveloped countries and assistance from advanced countries are to be of maximum benefit.

Available information about the role of agriculture in general economic development is being compiled and evaluated in order to provide an informed basis for developing detailed studies in underdeveloped countries with widely different natural resources, economic, and cultural conditions. This information is needed to provide a better understanding of growth processes, the agricultural development problems faced by countries at different stages of economic growth, and methods for evaluating alternatives for development assistance. Current information suggests that agriculture's role changes with the level and rate of economic growth. The results of preliminary

investigations are being used to identify emerging problems and research opportunities for detailed country studies. These studies will help to establish priorities for program efforts designed to promote economic growth and as a basis for assessing the effects of foreign economic development on the sale of U.S. farm products, both current and potential.

B. Effects of Economic Development Upon Patterns of Foreign Trade. Changes in foreign trade of agricultural and other products that have accompanied economic development of selected countries are being studied to learn how different rates of economic growth have influenced foreign trade in general and markets for U.S. farm products in particular. Specifically, this research is concerned with the identification and measurement of the interrelationships between foreign economic growth and agricultural trade so that emerging changes in export demand for U.S. farm products can be anticipated. Determination of how future economic development and growth in particular countries may affect market outlets for U.S. farm products is especially important from the standpoint of deciding what U.S. market development policies and programs are required to maximize U.S. agricultural exports. The short- and long-run effects of foreign economic development on the demand for U.S. farm products (both volume and composition), the implications of shifting patterns of foreign trade, and emerging problems associated with these shifts resulting from economic growth in particular countries are major objectives of these studies.

C. Impact of Rural Institutions and Land Policies on Economic Development and Trade. Several foreign countries have requested technical counsel on problems associated with rural institutions and land tenure patterns. In order to be of greater assistance to these countries and to other U.S. Governmental agencies and international organizations concerned with similar problems, research has been planned relating to the rural institutions and land tenure problems of underdeveloped countries. Research in the land tenure area will be concerned with land redistribution programs, consolidation of fragmented holdings and landlord-tenant relations. Research will also be concerned with credit institutions, taxation, and local government arrangements for improving education and supporting activities. The impact of different types of land reform on production, capital accumulation, per capita income, and improvements in social and political conditions will be appraised.

D. Impacts of Foreign Production, Consumption, Price, and Marketing Policies on Agricultural Development and Trade. Information concerning agricultural production, consumption, price and marketing programs and policies in foreign countries is being brought together to provide an improved basis for evaluating how they influence supplies of farm products available for export, market outlets for U.S. farm products, and the agricultural development of foreign countries including the use of land and other resources, resource productivity, and incomes of farm people. Evaluation of development and trade potentials will involve study of income elasticities of demand for food and other agricultural products as well as marketing margins, urbanization trends and other factors. This material will also provide an informed basis for

selecting countries with widely different economic and physical conditions and with widely different kinds of agricultural programs and policies for more detailed study.

E. Agricultural Productivity Analysis. Under an agreement between ERS and the Agency for International Development, research has been initiated on the project, "Factors Associated with Differences and Changes in Agricultural Production in Underdeveloped Countries." This research will help provide a basis for improving U.S. programs of technical and economic assistance to underdeveloped countries. It also will provide an improved basis for making long-run projections on world agricultural production and trade. The study will include a review and analysis of available data relating to rates of change in agricultural output, resource use, productivity and farm technology for individual countries and main regions of the world since 1940. A comparative analysis aimed at identifying the principal technical, economic and institutional factors associated with differences among countries in their recent rates of change in agricultural production will be carried out.

F. Research Grants and Contracts Under P.L. 480. P.L. 480 research grants and contracts are financing the following economic studies in the countries indicated: The effects of Philippine economic development on the demand for U.S. farm products; marketing rice in Colombia; the relation of management and planning to success of farming in Finland; alternative use of land for agriculture and forestry in Finland; food consumption in relation to family income in the rural population of Spain; social forces which promote or impede changes in agricultural organization and production in Israel; evaluation of long-term programs for agriculture in Israel; quantitative analysis of optimal water resource development in Israel; and a comparative analysis of processes of agricultural development and modernization in Israel.

G. Effects of EEC Agricultural Policies on U.S. Agriculture and Representation on an ERS Task Force Developing Trade Negotiation Materials. A continuing study of the effects of the EEC on U.S. agricultural trade is under way in this area. Such analyses are concerned with the implications of the Common Market for specific U.S. agricultural products and how farm price and protection policies followed in the Common Market influence U.S. farm exports. A special study was completed on the long-term effects of Common Market grain policies on U.S. grain exports to this region. American agriculture stands to gain more from an increase in total feed grain imports by the EEC in 1970 than from an increase in total wheat imports. The U.S. share of EEC feed grain imports averaged 41 percent for the period 1959 through 1961. Liberalization of dollar imports and effective elimination of bilateral agreements could mean the United States would expand its share of the EEC grain market to 50 percent by 1970. As of the end of the reporting period, research on this phase of the program has been undertaken by contract and staff research and working representation on an ERS task force established to develop trade negotiation materials of vital importance to U.S. agriculture.

Total Federal scientific effort devoted to research in this area was 10.0 professional man-years, divided as follows: 0.5 devoted to Role of Agriculture in Foreign Economic Development Programs; 0.5 to Effects of



Economic Development Programs Upon Patterns of Foreign Trade; 0.5 to Impact of Rural Institutions and Land Policies on Economic Development and Trade; 0.5 to Impacts of Foreign Production, Consumption, Price, and Marketing Policies on Agricultural Development and Trade; 5.4 to Agricultural Production Analysis; 1.1 to Research Grants and Contracts Under P.L. 480; and 1.5 to Effects of EEC on U.S. Agriculture.

#### REPORT OF PROGRESS

A. Analysis of the Role of Agriculture in Foreign Economic Development.

Research efforts have been concentrated on identification and measurement of structural changes in agriculture of selected countries at different stages of economic development. Analysis has been concerned with measurement of changes in agricultural production, proportion of the labor force engaged in agriculture, proportion of total national product originating in agriculture, importance of agriculture to foreign trade and export earnings, and changes in the demand, consumption and availability of food at different levels of development. A completed study on the income elasticity of demand for food in low income countries suggests that the elasticity may average as high as 0.7 in countries with less than \$200 of income per capita. These results were used to estimate the potentials for food aid in underdeveloped countries. Potential use of food in aid programs and the demand for food will be greatest in the more rapidly developing countries. Opportunities for food aid in the slowly developing countries are limited by the lack of economic growth. The importance of food and rapid agricultural development on the achievement of national economic growth objectives is strongly emphasized by the results of these studies.

B. Effects of Economic Development Upon Patterns of Foreign Trade. A general survey study on the relation of foreign economic development on demand for U.S. farm products has been completed. Changes in foreign trade of agricultural and other products that have accompanied economic growth of developed and less developed countries were analyzed to determine what influence levels of income per capita have had on the volume and composition of foreign trade in general and markets for U.S. farm products in particular. Special attention was given to the identification and measurement of important shifts in the import demand for agricultural products and the implications of these shifting patterns of foreign trade on market potentials for U.S. farm products.

This study shows that expansion of U.S. agricultural exports has been closely related to foreign economic growth and increased levels of incomes during the past two decades. Economic growth abroad, as measured by changes in income per capita, has been associated with a proportionate increase in the value of imports since 1938-40. High income countries imported about \$5 to \$6 worth of farm products per capita from the United States in 1959-60. Low income countries imported a little more than \$1 of agricultural products per capita from the United States during this period.

Food aid shipments have played an important part in the agricultural trade of the United States since 1950. During the early 1950's a large proportion of food aid shipments were to developed countries. Since 1956, the largest

share of these shipments has been to low income countries. The results of the present study show that the long-term relationship between trade and development has not been interrupted as foreign countries also have increased their commercial imports during this period as they achieved higher levels of income. To the extent that food aid shipments promote foreign economic growth, they contribute to the long-term expansion of markets for U.S. farm products.

C. Impact of Rural Institutions and Land Policies on Economic Development and Trade. Progress on work in this area has been limited to service research in connection with technical consultation requests from the Agency for International Development, preparation of position papers for use at international meetings, and related short-term assignments. However, information relating to rural institutional arrangements in foreign countries is being compiled in carrying out the project on factors associated with changes in agricultural output and productivity being conducted under the agreement with the Agency for International Development.

D. Impacts of Foreign Production, Consumption, Price, and Marketing Policies on Agricultural Development and Trade. Changes in the pattern of food consumption are being studied to determine their impacts on existing production, price, and marketing policies in less developed countries. Preliminary results indicate that as countries achieve higher levels of economic development, changes in the structure of demand for food occur which set up associated changes in prices, marketing margins, and needs for marketing facilities and services. Special attention is being given in these studies to the measurement of the income elasticity of demand for food at the farm level, retail level, and other levels to provide an improved basis for evaluating existing production, marketing, and trade policies. The relation of these structural changes in the demand for food to economic growth and trade potentials will be a continuing objective of this research.

E. Agricultural Productivity Analysis. Research on the project, "Analysis of Factors Associated with Differences and Changes in Agricultural Production in Underdeveloped Countries" was initiated under an agreement between ERS and the Agency for International Development (AID) beginning on March 20, 1963. This research is being conducted in two main phases. The first, Phase A, to be completed in 18 months is comparative analysis of recent changes in agricultural output, resource uses, technology and productivity in 30 countries. It is being developed mainly from secondary sources of information although visits to study countries to obtain information not available in Washington are planned. The second phase, Phase B, covering the following 3 years, will be concerned with the processes by which underdeveloped countries make the transition from low to higher levels of agricultural output and productivity and it will be developed through intensive case studies to be made within two or three countries in each of four AID regions. It will involve location of staff members in foreign countries for periods of 2 years to carry out detailed studies.



Research on the project since its initiation has been on Phase A. It has consisted mainly of developing analytical procedures, collecting and compiling relevant information and data, and preparing preliminary country reports on the countries selected for study which will provide the basis for preparing the comparative study of factors affecting differences in levels and rates of progress in improving agricultural output and productivity for 30 countries.

In order to make effective use of all available information, ERS has entered into a contract with the Food and Agriculture Organization (FAO) of the United Nations under which FAO will supply unpublished data from its files and will obtain additional information through member governments and FAO personnel stationed in foreign countries.

Under this project, a report has been prepared on aspects of U.S. experience in improving agricultural output and productivity relevant to less developed countries. Also, a report has been prepared on agrarian institutions affecting agricultural progress for use at a meeting of CENTO, September 25-27, 1963.

F. Research Grants and Contracts Under P.L. 480.

Economic Analysis of the Effects of Philippine Economic Development on the Demand for U.S. Farm Products. Research was initiated on this project in June 1963. It is concerned with the (1) identification and measurement of the demand structure for farm products at different levels of development, (2) an evaluation of its effect on agricultural trade and (3) projections of market potentials for U.S. farm products based upon projected changes in the structure of demand associated with continued economic growth and development in the Philippines.

Marketing Rice in Colombia. This project describes and analyzes rice marketing in Colombia to provide a basis for increasing the efficiency of rice marketing, and possibly increasing consumption.

The Relation of Management and Planning to Success in Farming in Finland. This project is designed to obtain a deeper scientific understanding of the relation of mental capacities, educational methods, and other factors to financial progress in farming and to decision making relative to the adoption of profitable changes in farming.

Study of the Economics of Alternative Use of Land for Agriculture and Forestry in Finland. This study is an investigation of the comparative advantage of forestry and agriculture under specific types of sub-arctic conditions with respect to physical characteristics such as soil, topography, climate, etc. and with varying cost-price relationships for farm services and products.

Food Consumption in Relation to Family Income in the Rural Population in Spain. This project will determine (1) the relationship between family income and amounts and monetary values of various categories of food consumed

with particular reference to meats, milk, and milk products, vegetables, and oils; (2) the effect of the level of income on the nutritional value, and quality of food consumed; and (3) the deficiencies in the diet, and to develop plans for the most economical means of removing dietary deficiencies.

Social Factors Which Promote or Impede Changes in Agricultural Organization and Production in Israel. This project was designed to determine the nature of Israeli farmers' reactions and adjustments to planned changes and innovations in agriculture, and the sociological and psychological factors that impede or promote such changes.

Evaluation of Long-Term Programs for Agriculture with Respect to Requirements and Supply of Capital in Israel. This study will (1) determine the needs for capital for the agriculture of Israel in the light of its development programs; (2) describe and evaluate the country's present farm capital supply sources and facilities in reference to these needs; and (3) indicate the implications of these findings for the country's development policies and programs, and for its optimal farm organizations and farm income levels.

Quantitative Analysis of Optimal Water Resource Development and Allocation in Israel. This study will determine the demand for water in the agriculture of selected areas in Israel and analyze the problems of allocating the country's water resources among competitive uses within farms, and among various types of farms and among regions.

Comparative Analysis of Processes of Agricultural Development and Modernization in Israel. Under this study information is being compiled and analyzed which pertains to agricultural development and modernization in Israel with regard to: (1) The major forms of agricultural organization and development; (2) the broad cultural, social, economic, and political conditions under which the modernization processes--especially the integration of agriculture in modern economy--are being carried out; (3) the factors which have helped or impeded development; and (4) the techniques and solutions attempted to overcome the various problems, and the causes of their success or failure.

#### G. Effects of EEC on U.S. Agriculture.

1. An analysis of the long-term effects of EEC grain policies indicates that U.S. agriculture is likely to gain a larger share of the EEC market for feed grains but may lose a share of the EEC market for wheat. The foundation of the EEC farm income support policy is the grain program. Projecting EEC grain (wheat and feed grain) production, consumption, and trade for the year 1970, at which time the agricultural policies of the EEC member countries are to be fully unified, U.S. exports of wheat to the EEC are to be fully unified, U.S. exports of wheat to the EEC as projected will drop to 0.4 metric tons in 1970 from an average of 1.1 million metric tons in 1957-59. U.S. exports of feed grains to the EEC will probably rise to 3.7 million tons in 1970 as compared with an average of 2.9 million in 1957-59. Both these estimates assume the continuation of present EEC national policies.

2. In view of the importance and urgency of the trade negotiations under the Trade Expansion Act, an ERS task force was established in August 1963 to develop trade negotiating materials. A considerable amount of preliminary data and analyses are under preparation along commodity lines. In addition, the task force is developing country impact studies showing the expected effects on selected countries' commodity trade balances and internal economic conditions in agriculture arising from reductions in tariffs and the elimination of other impediments to agricultural product imports. This Division is contributing to the work of the task force through the loan of two professional man-years and supplying statistical information and analyses as needed.

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- (3) The World Food Budget: A Forward Look to 2000 and Beyond, World Food Forum Proceedings, U.S.D.A. (Arthur B. Mackie, joint author). January, 1963.
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- (5) Agriculture and Economic Growth. Agricultural Economic Rpt. No. 28, ERS, U.S.D.A. (Arthur B. Mackie, joint author). March, 1963.
- (6) The Relation of Agricultural Productivity to Economic Growth. A paper presented at the Economic Growth Center, Yale University, New Haven, Conn. Raymond P. Christensen. May 22, 1963.
- (7) Foundation for Agrarian Development. Prepared for presentation at CENTO Rural Symposium, Tehran, Iran. William E. Hendrix and Frank W. Parker. September 25-27, 1963.
- (8) Aspects of United States Experience in Improving Agricultural Output and Productivity Relevant to Less Developed Countries. Raymond P. Christensen, Robert D. Stevens, and William E. Hendrix. ERS, U.S.D.A. September, 1963.
- (9) "Foreign Economic Growth and Agricultural Trade," Foreign Agricultural Trade of the United States. Raymond P. Christensen and Arthur B. Mackie. September, 1963.
- (10) "Potential Uses of Farm Products as Aid to Developing Countries," Journal of Farm Economics. Vol. 45, No. 5. Willard W. Cochrane, Arthur B. Mackie, and Grover C. Chappell. December, 1963. This paper was presented at the 1963 Annual Meeting of the American Farm Economic Association.

(11) "The Influence of Urbanization of the Income Elasticity of Demand for Retail Food in Low Income Countries," Journal of Farm Economics. Vol. 45, No. 5. Robert D. Stevens. December, 1963. This paper was contributed to the 1963 Annual Meeting of the American Farm Economic Association.



AREA NO. 2

EXPORT PROGRAMS AND MARKET DEVELOPMENT

Problem. Food for Peace programs embody numerous and varied special government programs under P.L. 480 designed to: (1) expand international trade of farm products; (2) raise nutritional levels in the developing countries; (3) meet emergency food needs; and (4) contribute to economic development of the underdeveloped countries. Exports under P.L. 480 Food for Peace programs accounted for \$1.5 billion or slightly over 30 percent of total agricultural exports during 1963 fiscal year. In addition to government financed export programs, about 19 percent of the \$3.6 billion of commercial exports in 1963 received some assistance in the form of payment-in-kind or other concessional price export programs. Although there was a substantial increase in straight commercial sales in 1963, 44 percent of total United States exports still received some kind of special financing.

The special government financed export programs that have been developed to achieve these goals have important implications in the recipient countries some of which are favorable and some of which may adversely affect agricultural development unless programs are carefully planned. As the role of food aid as a tool of economic development increased, program techniques and mechanisms have been developed and modified to facilitate the movement of food from surplus to deficit food producing countries. Among the most important techniques employed to date are P.L. 480 Title I local currency sales and Title IV long-term credit sales which are devices for circumventing the barriers to commercial trade imposed by the shortage of foreign exchange. Food grants under P.L. 480 Title II and donations under Title III are devices developed for the direct distribution of food to recipients in foreign countries. These programs circumvent the foreign exchange barrier to commercial trade, and also operate outside the established marketing system. Continuing analysis and evaluation of the special export programs is needed to determine their effectiveness, their impact on commercial trade, and their contribution to meeting world food needs.

Despite P.L. 480 innovations for moving food from surplus to deficit countries, numerous other obstacles to food distribution inhibit maximum use of surplus food to meet development and nutritional needs in the developing countries. Among the major obstacles to the increased use of food in recipient countries are: (a) lack of local port, storage, and transportation facilities, (b) lack of food processing and effective marketing systems, (c) the lack of experienced administrative and technical personnel, (d) the inadequacy of local financial resources and effective purchasing power to increase the absorptive capacities of food deficit countries, and (e) cultural resistance to dietary change. Also as the constructive use of food in economic development has become more fully appreciated, there are many new problems and questions arising as to the quantities and types of foods that are



needed. Answers are needed to these questions to determine appropriateness of facilitating food distribution and procedures for bringing about stabilization of supplies, prices, consumption, and international financial balances without unduly disrupting the commercial trade of the food exporting countries.

Continuing analysis and evaluation of the implications of food aid programs to domestic agriculture in the United States and other surplus food producing countries is needed. Food will play a more important part in international economic development in the years ahead. The important questions relating to the relative costs of special government export programs, costs of domestic price support and storage programs, the maximum contribution of the nation's surplus food production capacity to world economic development, and the impact of these programs on the efficient use of agricultural resources and their effect upon farm income should be analyzed.

#### PROGRAM

A. Effects of Public Law 480 on Economic Development and Trade. Major emphasis has been given to basic and applied research to analyze in considerable depth the commodity impact of P.L. 480 Title I and related Food for Peace programs in selected countries. The scope of the individual country studies include the impact of these programs on national agricultural policies and programs, price and stabilization effects, consumption effects, effects on commercial trade and international trade patterns, and the appraisal of the contribution of the additional resources made available in the form of food to economic development and growth. Contract research studies are nearing completion in Colombia, India, Turkey, Spain, and Greece. These studies are being financed under market development authority in cooperation with the Foreign Agricultural Service in which Title I local currencies are being used. The research in India, Turkey, Spain, and Greece is being done by local research institutions in the respective country while that in Colombia is being done under contract with Michigan State University. Several country analyses on the impact of P.L. 480 operations being prepared by the export programs research staff include Brazil, Egypt, Yugoslavia, Poland, and Iran.

As the impact studies on the effects of P.L. 480 Title I programs in selected countries are completed and analyzed, increasing attention is being directed to the overall evaluation of the basic functional aspects of food assistance programs, such as, (1) Effects of P.L. 480 programs on world food supplies, prices and per capita food consumption; (2) Effect of P.L. 480 imports on international trade patterns; and (3) Use of Title I local currency funds for specific development projects.

B. Analysis of Alternative Program Techniques and Mechanisms Employed in Meeting World Food Needs. The effectiveness and appropriateness of program techniques as employed in Title I sales for local currencies, long-term credit sales under Title IV, commodity grants under Title II, and donations under Title III as they relate to individual countries and specific situations are being studied as a basis for evaluating proposed modification of

export programs. These bilateral assistance programs and their relationship to multilateral program techniques that are being developed in the implementation of the World Food Program also are being considered. A special staff report on the advantages and disadvantages of bilateral and multilateral technical assistance and food aid programs has been completed and an overall appraisal of P.L. 480 program techniques in meeting world food needs is in process.

In collaboration with other agencies some attention has been given to the economic appraisal of food processing methods and techniques and the potential need for special food preparation to meet nutritional needs in the developing countries. Although it is recognized that research should be initiated (a) to evaluate the kinds and types of food available in relation to world food needs, and (b) to analyze the nature and character of the obstacles preventing greater use of food to support economic development, little has been done in this area other than preliminary identification of problems and the development of methodological approaches.

C. The Role of Food Aid in Economic Development. Continuing review and appraisal of the contribution of the P.L. 480 program to international aid and development is underway. In this connection it should be observed that P.L. 480 and other agricultural commodity assistance is accounting for approximately one-half (49 percent in 1961) of total net U.S. foreign economic aid supplied from public sources, while the total U.S. contribution accounts for approximately one-half of the total global flow of development assistance from the industrial to the developing countries. Another aspect of work underway in this area is concerned with the development of methodology and research guidelines for analyzing the effectiveness and potential contribution of agricultural commodity grants under Title II to support specific economic development projects. Discussions are underway with FAS, AID, and the Food for Peace Office on means of implementing a pilot research study. Although research funds and staff are limited, consideration also is being given to the need for analyzing Title II and Title III school lunch programs in several selected countries. Such a pilot study would involve the development of research procedures for analyzing the effects of international school lunch and feeding programs in improving nutritional levels; in developing trained personnel to add to the commercial labor force; and in developing markets for U.S. agricultural products.

D. Interrelationships of Domestic and U.S. Export Programs. Several recent and careful appraisals of potential production and demand trends indicate the probability of continued excess U.S. farm production capacity in the foreseeable future. Research is needed to provide guidance on the extent to which exports of food and fiber may be increased, the program costs involved, and the implications of such programs on commercial sales potentials and the efficient utilization of U.S. agricultural capacity. Limited staff has not permitted adequate attention to be directed to the problems involved in adjusting domestic farm production to meet the short- and long-run needs for food that will contribute most effectively to economic development of the developing countries, to meet the effective demand for food products in the

industrial dollar markets, and to analyze the relationships between feasible commercial and concessional export potentials and domestic supply-management programs. The fact that in fiscal year 1963 slightly over 30 percent or \$1.5 billion of farm commodities was exported under special government programs and 19 percent of the \$3.6 billion of commercial exports in 1963 received some export assistance emphasizes the importance of these programs to domestic farm programs. Research is being implemented to evaluate the implications of the interrelationships between potential domestic and export demand and the efficient use of excess capacity in the short run and potential productive capacity in the long run. Work currently underway and contemplated is concerned with (a) the analysis of selected U.S. commodity export prices, domestic price supports, and their relationship to consumer prices and price support levels in importing countries and (b) the analysis of U.S. concessional export programs including payment-in-kind and direct export programs to facilitate commercial sales.

Total Federal scientific effort devoted to research in this area was 4.5 professional man-years, divided as follows: 2.5 to Effects of P.L. 480 on Economic Development and Trade; 1.0 to Analysis of Alternative Program Techniques and Mechanics Employed in Meeting World Food Needs; 0.5 to Role of Food Aid in Economic Development; 0.5 to Interrelationships of Domestic and U.S. Export Programs.

#### REPORT OF PROGRESS

##### A. Effects of P.L. 480 on Economic Development and Trade.

Effects of P.L. 480 Programs in Colombia, 1955-62. A progress report submitted by Michigan State University gives substantial emphasis to the effects of the program on agricultural policies and production trends. Also, consideration is given to the effects upon consumers, consumer prices, foreign trade patterns, the balance of payments, and the relation of local currency uses to inflation, and the pattern of economic development. The report also appraises prospective developments and alternatives.

Analysis and Assessment of the Economic Effects of P.L. 480 Title I Program, Turkey. The Turkish contracting group of the Political Science Faculty of the University of Ankara in cooperation with the Economics Faculty of the University of Istanbul and School of Business Administration and Economics, Robert College, Istanbul, submitted a mid-term progress report on research findings to date. This report discusses the methodological problems encountered in assessing impact of the Title I program on the country's agricultural production policies and programs, the effects on trade patterns, and international financial problems. The preliminary findings are being used as a basis for more detailed analysis on the contribution of food assistance to the country's future development.

A Note on the Progress of Work on the Effects of the P.L. 480 Programme on the Indian Economy. This report discusses the methodological problems encountered in analyzing the Title I commodity effects on agricultural production,



prices, and consumption in India. This report establishes the basis for more detailed analysis of stockpiling programs and the effects of Title I commodities on seasonal, spatial, and annual variations in farm and consumer prices.

Operation of the P.L. 480 Program in Spain. The research contracting group, Sociedad De Estudios Y Publicaciones, S.A., Madrid, submitted a progress report reviewing the analytical problems involved in reconciling trade data available from Spanish and United States sources. The preliminary research progress to date indicates a favorable commodity impact insofar as raising consumption levels, contribution to development and growth, and strengthening the country's foreign exchange position.

Operation of the P.L. 480 Program in Brazil. A report prepared by the Branch staff appraises the relative importance of the various P.L. 480 programs in Brazil, and the relationships of P.L. 480 assistance to total United States economic assistance. Particular emphasis is given to the evaluation of commodity assistance supplied under Title I and the appraisal of the effects of these imports on consumption, agricultural production, trade, and future markets for U.S. agricultural commodities.

A Preliminary Appraisal of the Contribution of P.L. 480 Programs to Development of the Greek Economy. A preliminary report prepared in the Branch analyzes the economic effects of P.L. 480 and related agricultural commodity assistance programs in Greece. Particular emphasis is given to important interrelationships between P.L. 480 and total United States assistance programs and the impact of United States agricultural exports on Greek agriculture, consumption, trade, and economic development.

Public Law 480 and Other Economic Assistance to United Arab Republic-Egypt Region. A preliminary report prepared in the Branch, after the decision was made not to enter into a research contract with an Egyptian Institute, appraises the P.L. 480 Title I program and its interaction with other Food for Peace programs as they have operated in Egypt. In examining the role of P.L. 480 Title I, the planned and actual uses of local currencies generated from Title I sales are discussed in relation to the total United States economic aid programs and external assistance from other sources. Particular emphasis is given to the impact of P.L. 480 food shipments on food consumption and the effects of such imports on trade patterns and foreign exchange reserves.

A Preliminary Report on Agricultural Development and the P.L. 480 Program in Yugoslavia. Preliminary findings of an on the spot investigation indicated that the availability of P.L. 480 agricultural commodity assistance to Yugoslavia had many favorable effects. Not only did the program contribute to greater stability of national food supplies, which permitted increased per capita consumption and diversification of diets, but helped to stabilize the structural development of agriculture during the period of decollectivization, especially after 1953. The program contributed to a more liberal government policy than would likely have been possible in agriculture in

its absence and permitted greater freedom in marketing by obviating the need for imposing forced delivery of food during poor crop years.

B. Analysis of Alternative Program Techniques and Mechanics Employed in Meeting World Food Needs. A staff paper on the advantages and disadvantages of multilateral vs. bilateral technical assistance and food aid programs analyzed some of the factors involved in increasing the flow of development assistance and in making aid programs more efficient and effective. The relative magnitudes of bilateral and multilateral contributions from both public and private sources are analyzed--with specific reference to improvements needed in handling technical cooperation and food aid programs. The increasing importance of food in aiding international development is discussed in view of the fact that the most effective utilization of such aid requires careful planning and coordination of bilateral and multilateral technical, economic, and financial assistance programs.

Progress is being made in developing an overall appraisal of Food for Peace techniques in meeting world food needs along with the development of research approaches and methodology for studying food grants for the support of specific economic development projects and their relationship to sales for local currencies and commercial market development potentials.

C. The Role of Food Aid in Economic Development. A special paper on the contribution of P.L. 480 to international economic aid and development showed that during the last decade, agricultural commodities became an important part of the flow of economic resources from the industrial to the developing countries. In tracing the changing attitudes regarding the disposal of agricultural surpluses to the concept that aid in the form of food and fiber makes an important contribution to economic development and increased food consumption in low income countries, it was found that the scope of the P.L. 480 program has come to mean something more than just a surplus disposal program. Although new attitudes were developing regarding agricultural surpluses during the early 1950's, it was not until 1957 that definite policies were implemented to make effective use of surplus commodities as an aid to economic development. Thus, expansion of international trade on a multilateral basis, promotion of international economic development, and furtherance of U.S. foreign policy goals became primary objectives incorporated not only into the preamble of the Public Law 480 but also made a part of actual operations. Agricultural commodity assistance as an integral part of bilateral and multilateral aid programs has played a significant role in strengthening the economies of the underdeveloped countries. Among the most important developments in international aid during the past year have been the progress made by OECD and its Development Assistance Committee in providing a forum for discussions leading to the coordination of economic aid policies and programs of the industrial countries. This has made it possible for member countries to work out a common approach to an improved distribution of aid. Further steps toward cooperative planning of aid programs were taken in July 1962, when several members of OECD--United States, Canada, United Kingdom, West Germany, Italy, France, and others--united to coordinate foreign aid to Greece and Turkey.



D. Interrelationships of Domestic and U.S. Export Programs. Progress has been made in the analysis of selected U.S. commodity export market values, domestic price supports, and their relationship to consumer prices and price support levels in the importing countries. Emphasis is being focused on cereal and feed grain price relationships, and the effect of concessional export prices on food consumption in the principal commercial importing countries as well as several important recipients of P.L. 480 Title I commodities. Preliminary findings show that price supports and consumer or wholesale prices of cereals and feed grains are generally higher than U.S. price supports or export market values. Both commercial importing countries and countries receiving P.L. 480 imports have devised intricate trade and pricing systems to regulate domestic prices of agricultural imports in order to insulate domestic producers from import competition.

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AREA NO. 3

MONETARY AND FINANCIAL ANALYSIS OF TRADE AND DEVELOPMENT PROGRAMS

Problem. Present and prospective U.S. balance of payments problems emphasize the importance of research in this area. Increasing agricultural exports are very important to the Nation's balance of payments. Continuing analyses are needed for changing financial positions of foreign countries involving the evaluation of pertinent economic data and information, both external and internal, that affect a foreign country's ability to buy U.S. farm products with dollars or qualify for special U.S. concessional financing. This requires constant review and utilization of economic data supplied by U.S. foreign service reports; international financial institutions, such as the International Monetary Fund, the International Bank for Reconstruction and Development, and the Inter-American Development Bank; and other domestic and foreign sources. The financial data obtained from these sources provide a basis for determining appropriate U.S. export programs applicable to the financial position of the importing country. Individual country financial analyses are made on a request basis as the occasion demands.

Current analyses of international monetary developments and the activities of the various international financial institutions provide the basis for evaluating USDA agricultural export objectives and goals. This continuing activity is performed in connection with the Department's representation at the National Advisory Staff Committee and in maintaining liaison with other United States agencies and international financial institutions.

PROGRAM

A. Financial and Monetary Aspects of P.L. 480 Programs. There are many financial and monetary complexities associated with Title I sales for local currencies and Title IV sales for dollars on a deferred basis under P.L. 480. In Fiscal 1963, exports under Title I totaled \$1.1 billion and exports under Title IV expanded to \$56 million compared with \$19 million last year. The relative merits of financing surplus agricultural commodity exports under Title I and Title IV, from the viewpoint of ascertaining the financial and monetary effects on the recipient and supplying country, can be weighed to give direction to choosing which program would be the most beneficial to both countries. A study analyzing the short- and long-run effects of U.S. agricultural exports financed under alternative P.L. 480 programs upon both the recipient and supplying country's balance of payments, budgets, and monetary policy was initiated during the reporting period.

B. Significance of Recorded P.L. 480 Transactions to the U.S. Balance of Payments. In view of the wide publicity that U.S. payments deficits and the outflow of monetary gold have received, an evaluation of the impact of P.L. 480 agricultural exports to the U.S. balance of payments was completed.

Since 1955, activities authorized by the Agricultural Trade Development and Assistance Act (P.L. 480) have become successively more important to U.S. foreign economic assistance goals. Misconceptions often arise concerning the effects of this U.S. Government agricultural export program on the U.S. balance of payments.

C. The Monetary Situation in Developing African Nations. In Africa today, political independence is bringing in its wake the need for economic assistance on a concessional basis at a time when monetary problems are paramount. In the interim, the United States is supplying economic assistance to this increasingly significant area, providing over \$1 billion in grants and credits since 1945 and since the advent of P.L. 480, U.S. agricultural commodities valued at \$735 million. The volume of agricultural commodity assistance on a concessional basis principally under Title I, P.L. 480 sales necessitated a thorough survey of the African monetary situation.

D. Analysis of the Role of Agricultural Credits in the Development of the Agricultural Sector in Underdeveloped Countries. A study was initiated during the previous reporting period on the potential effect of Agricultural Development Banks in selected developing countries--Israel, Greece, Turkey, and Yugoslavia. It is the purpose of this study to determine the importance of agricultural credits to economic development of the agricultural sectors of these respective countries.

E. Evaluation of International Commodity Agreements. A study of International Commodity Agreements was initiated during the reporting period to determine which commodities and what trading arrangements may lend themselves to a workable solution to the financial problems incurred by primary producing countries.

F. Special Economic Analyses. Professional man-years devoted to special economic studies on financial and monetary factors affecting U.S. agricultural trade and U.S. economic assistance programs totaled 2.0. These studies on financial and monetary programs involving agricultural programs on the international level were made to determine the Department of Agriculture's position and policy. The many financial crises in Latin America have resulted in numerous and continuing analyses of the economic situation in these countries to determine the justification for U.S. agricultural export programs. In recommending agricultural surplus disposal programs for this geographic area and other countries, special analyses were made to determine the type of program that would best serve the commercial interests of the United States and at the same time be the most beneficial to the recipient countries.

Total Federal scientific effort devoted to research in this area was 4.8 professional man-years, divided as follows: 0.5 to Financial and Monetary Aspects of P.L. 480 Programs; 0.5 to Significance of Recorded P.L. 480 Transactions to U.S. Balance of Payments; 0.5 to The Monetary Situation in Developing African Nations; 0.8 to An Analysis of the Role of Agricultural Credits



in the Development of the Agricultural Sector in Underdeveloped Countries; 0.5 to Evaluation of International Commodity Agreements; and 2.0 to Special Economic Analyses.

## REPORT OF PROGRESS

A. Analysis Indicates Title I and Title IV, P.L. 480 Programs Have Decided Impacts on Monetary Systems of Developing Countries. The monetary impact of U.S. agricultural commodity assistance in recipient countries may be deflationary, inflationary, or neutral depending upon the means of marshaling and expending the funds required in financing economic development and the time periods involved. It was found that in recipient countries purchasing surplus U.S. agricultural commodities where (1) official U.S. Government expenditures are relatively small, (2) earnings of convertible exchange are expected to be meager both in the short and long run, and (3) payment for agricultural commodities with local currency can be made without adverse effects on the domestic monetary situation, a Title I sales program is likely to be the most beneficial to the economic development of the recipient country as well as to the payments position of the United States. If official U.S. Government expenditures in the recipient country are of such magnitude as to provide the recipient country with a net dollar gain after repayment for U.S. surplus agricultural commodities it becomes advisable from the point of view of the recipient country to enter into sales agreement under Title IV, P.L. 480.

In countries where the U.S. Government has an exceptionally large military and economic assistance commitment, foreign currencies acquired through the sale of surplus agricultural commodities under Title I could be utilized almost immediately in financing part of these operations. This utilization of foreign currency without the necessity of purchasing with dollars is beneficial to the U.S. balance of payments. Under a Title IV program the annual repayment of dollars may be so small as to be less beneficial to the U.S. balance of payments than foreign currency acquired through a Title I program. A large downpayment and shorter repayment schedules may permit Title IV agreements to give greater short-run benefit to the U.S. balance of payments but such terms are not likely to be accepted by recipient countries and Title I will most likely continue of greater benefit to the United States when its needs for local currencies are substantial.

B. Analysis of P.L. 480's Contribution to U.S. Balance of Payments. Almost one-third of all U.S. agricultural exports in calendar year 1961 and 1962 were sold for foreign currencies, bartered, donated, or sold under long-term commodity credit agreements. Agricultural commodities exported under these specified U.S. Government-financed programs are recorded as dollar earnings in the merchandise trade account but do not represent the receipt of dollars. These imputed dollar receipts are offset elsewhere in the balance of payments and do not affect the overall payments balance as presently measured by changes in U.S. liquid dollar liabilities and monetary gold and convertible currency holdings. Agricultural exports, however, sold for foreign currencies under Title I, P.L. 480, and the Mutual Security Act, and long-term



dollar credit sales under Title IV, P.L. 480, are beneficial to the U.S. balance of payments. In the first case, Title I and Mutual Security sales generate foreign currencies which are utilized advantageously in financing part of U.S. Government military and economic assistance operations abroad and partially in financing regular diplomatic and other U.S. Government agency operations abroad. In the absence of these foreign currencies, the overall payments deficit would be larger than that recorded in recent years, assuming no reduction in U.S. expenditures for these purposes and the necessity of purchasing the needed foreign exchange with dollars. In the second case, Title IV long-term commodity loans will become progressively more significant to the U.S. balance of payments position as repayments of principal and interest in dollars are received by the U.S. Government.

C. Evaluation of the African Monetary Situation. A study of the monetary situation in all African countries reveals that with regard to the control of monetary affairs only 9 countries are completely independent; the remaining 39 rely to a varying degree upon financial ties with a European nation or the United States. This dependence may be substantial, as in the case of Liberia which has to date never issued its own currency notes but uses U.S. dollars as legal tender. On the other hand, the degree of monetary dependence may be so small as to be almost non-existent, such as that in the Republic of South Africa. It was found that 21 African entities maintain close financial ties with the Sterling area; another 16 entities continue to be closely tied to the French Franc area; 3 entities are closely tied financially with the Portuguese Currency area; 2 entities are associated with the Spanish Currency area; and 2 rely on the U.S. dollar in financing domestic and international economic transactions.

D. Agricultural Development Banks. Preliminary findings of a study authorized under Line Project DTA 3-1 on agricultural development banks in Israel, Greece, Turkey, and Yugoslavia, reveal that the amount of credit actually available for farm mortgage and operating needs varies widely among countries. This reflects in many instances the lack of loanable capital available and the problem of supervising the actual use of funds borrowed. An extensive investigation is being made comparing the objectives and credit policies in relation to the structure of the agricultural sector in each of these respective countries. Successful techniques in overcoming basic credit problems encountered are being studied with the view of aiding other developing nations with similar credit institutions.

E. International Commodity Agreements. Work on this study has been initiated; data and information are being collected and analyzed. No findings are reported at this time.

F. Special Economic Analyses. Special economic studies on financial and monetary programs involving agricultural programs on the international level were made to determine the Department of Agriculture's position and policy. The many financial crises in Latin America have resulted in numerous, and continuing, analyses of the economic situation in these countries to determine the justification for U.S. agricultural export programs. In recommending agricultural surplus disposal programs to foreign countries, special

analyses were made to determine the type of program that would best service the commercial interest of the United States and at the same time derive the most benefit to the recipient country. The continuing serious balance of payments situation in the United States, and consequent loss of gold from U.S. holdings, made it necessary to analyze all U.S. international agricultural programs from the highly technical point of view of the effect on the U.S. balance of payments. Analyses of financial and monetary developments in major trading countries and regions were made at frequent intervals. A study of Japan's monetary and balance of payments situation as it affects U.S. trade and investments revealed that Japan's recent trade policy has had little or no adverse effect upon U.S. exports including agricultural exports. Many additional financial studies were required with the rapidly increasing number of independent nations in Africa, the West Indies, and elsewhere. The expanded activities of the NAC (National Advisory Council on International Monetary and Financial Problems, established in accordance with the Bretton Woods Act) required a number of studies and analyses on international financial problems affecting the policy and programs of the Department of Agriculture.

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AREA NO. 4

TRADE STATISTICS AND ANALYSIS

Problem. U.S. agricultural exports are moving at a record rate of more than \$5 billion annually. Any reduction in the rate of exports has a direct bearing on the U.S. agricultural economy, for one acre out of every five produces for export. Moreover, it is of concern to the United States that exports maintain an upward trend. Recent developments taking place abroad, particularly in the European Economic Community, have presented problems which may result in a lowering of the level of exports that are important to certain parts of the agricultural economy. Developments in the Common Market have already resulted in severe cutbacks in shipments of specific U.S. agricultural commodities, more particularly poultry meat and wheat flour. It is inconceivable that the United States should not share in the larger markets for agricultural commodities that result from economic growth in other countries. Continuing studies are needed to determine whether or not the United States is sharing in the benefits from growing world markets, and, if not, what actions should be taken to assure a steady growth in U.S. farm product exports. Policy decisions made by the European Common Market, the European Free Trade Association, and other regional trade blocs will have a significant impact on U.S. agricultural exports. These developments must be continually followed, analyzed, and made available to those concerned with the maintenance and expansion of U.S. agricultural exports.

A continuing analysis of U.S. agricultural trade, including Food for Peace shipments, is needed to detect trade trends and problems and to determine the relevant economic and other factors that affect this trade. This information is used to provide agricultural producers, trade groups, and Government officials with a flow of statistics and interpretative reports on the status of and the outlook for U.S. agricultural exports and imports. These statistics and interpretative reports are in turn used in the formulation of policies, positions, and programs in the area of foreign marketing of U.S. farm products and of competition, both at home and abroad, from foreign farm products. Some of these areas are the expansion of commercial foreign markets for the nation's agricultural abundance, adjustment of domestic price support programs and production controls to domestic and foreign demand, import fees and quotas to restrict imports detrimental to U.S. agriculture, trade agreement concessions to open new markets for agricultural products, the U.S. Food for Peace Program to share the nation's bounty with friendly people abroad, and export payments for some commodities to help make U.S. farm products competitive in world markets. More timely, precise and complete statistical data (including foreign price series) can improve the scope and depth of interpretations used in arriving at decisions on these and other problems facing U.S. agriculture.



## PROGRAM

A. U.S. Agricultural Trade Situation. A continuing analysis of U.S. agricultural trade requires regular consultation and cooperation with various subject-matter specialists in commodity, regional, and program operations, daily research into news and other informational media and development of estimates of U.S. agricultural exports and imports for current and future periods. Export estimates are undertaken monthly and annually; import estimates, annually; and Food for Peace estimates, quarterly.

A monthly analysis of U.S. agricultural trade developments is undertaken, including estimates of the quantity and value of U.S. agricultural exports for current months. The analysis consists of the determination of the quantity and value of total U.S. agricultural exports by principal commodities and major commodity groups along with an evaluation of the factors and developments accounting for changes in agricultural exports compared with previous periods. In addition, an evaluation of the quantity and value of U.S. agricultural imports competitive (supplementary) and noncompetitive (complementary) with domestic production is undertaken.

A quarterly review of U.S. agricultural Food for Peace shipments abroad is made and includes an evaluation of the principal developments affecting such exports. An annual evaluation is made on a fiscal year basis of the extent of assistance to U.S. agricultural exports by means of export payments in cash or in kind or by the sale for export of agricultural commodities from Government-owned stocks. This analysis distinguishes between (1) commercial sales for dollars and exports under Government-financed programs which receive export payment assistance, and (2) dollar sales and program shipments which do not receive this form of assistance. The total value of such payments by commodity is also determined. This report involves consultation with specialists in other agencies of the Department who are responsible for the administration of export payment and export sales programs.

An annual appraisal of U.S. agricultural trade (calendar and fiscal year) includes analyses of Food for Peace shipments and total U.S. agricultural exports. Special studies are made of the magnitude and trend of commercial exports for dollars to provide information for developing new policies, programs, and export promotion activities for dollar sales. The continuing program includes the determination and appraisal of the value of U.S. foreign trade for current and prior periods; quantity indexes of U.S. foreign agricultural trade for current and prior periods; value of U.S. trade for selected agricultural commodities and groups for current and prior periods; value of U.S. agricultural trade by countries of destination for current and prior periods; quantity and value of U.S. agricultural trade to specified countries and principal agricultural products for current periods; quantity and value of U.S. Food for Peace exports by commodity classified by program for current and prior periods; and value of U.S. Food for Peace shipments by countries of destination by program for current and prior periods.

B. U.S. and World Agricultural Trade Statistics. This program involves the assembly, tabulation, and summarization of U.S. agricultural export and

import statistics, including Food for Peace exports as well as interpretations of agricultural trade by commodity, country, commodity by country, and country by commodity. Compilations are made also on world agricultural trade from various sources and in some instances involve the exercise of considerable judgment in classifying data into comparable categories for purposes of analysis. Separate studies are made of the agricultural trade of certain trade blocs such as the European Economic Community, the European Free Trade Association, and the Latin America Free Trade Area to show the relative position of U.S. trade after economic integration.

C. Analysis of World Agricultural Prices. Compilation and analyses of international prices for various agricultural commodities are needed to determine the relationship of various prices to the level of U.S. agricultural exports, especially commercial sales for dollars. Tabulation of prices for the major commodities accounting for the bulk of U.S. agricultural trade is made at the major agricultural markets for U.S. agricultural trade including farm prices and wholesale prices. Particular emphasis will be placed on price series in the European Economic Community and other trade blocs to show the competitive position of U.S. farm products in these trade blocs. Price data will come from various sources, including international organizations such as the European Economic Community, European Free Trade Association, Food and Agriculture Organization, Organization for Economic Cooperation and Development, trade sources, and official reports from various countries. Classification of prices according to commodity grades and qualities is to be made available for individual commodities on a monthly and annual basis; these data would be incorporated into an overall price index series. The actual price data and annual price index series are to be used to prepare analytical reviews of the trends in world agricultural prices as related to the pattern of agricultural trade in the principal world markets.

D. Effects of EEC on U.S. Agricultural Trade. Studies of the effects of the European Economic Community on U.S. agricultural trade are underway in this area. Such analyses are concerned with the implications of the European Common Market for U.S. agriculture and how farm price and protection policies followed by the Common Market countries will affect prices, production, and consumption of farm products in these countries and thus influence U.S. farm export markets. One-third of U.S. commercial exports of agricultural products now goes to the Common Market and the future volume will be greatly affected by the economic growth of individual member countries and by the overall Community's trading arrangements that are evolving.

E. Contracts: Bureau of the Census and Organization for Economic Cooperation and Development for Source Data and for Processing of Trade Statistics.

Electronic data processing projects, including the purchase of magnetic tapes from various international organizations such as the European Economic Community and the Organization for Economic Cooperation and Development produce high speed numerical and alphabetical summaries of U.S. and world agricultural exports and imports, commodity by country, and country by commodity, and facilitate interpretations of the current situation of U.S. agricultural trade and its position in the major overseas markets.

Total Federal scientific effort devoted to research in this area was 7.1 professional man-years, divided as follows: 5.0 to U.S. Agricultural Trade Situation; 1.2 to U.S. and World Agricultural Trade Statistics including research on the Effects of EEC on U.S. Agricultural Trade; 0.4 to Analysis of World Agricultural Prices; and 0.5 to Contracts with the U.S. Bureau of the Census and Organization for Economic Cooperation and Development for Source Data and Processing of Trade Statistics.

## REPORT OF PROGRESS

### A. U.S. Agricultural Trade Situation.

Agricultural Exports Neared Record Level in Fiscal Year 1962-63. A continuing analysis of the current status of and outlook for U.S. agricultural exports revealed that exports for the fiscal year that ended June 30 totaled \$5,084 million, 1 percent below the previous year's record of \$5,142 million. Volume of exports has remained stable for the past 3 years. Commercial exports for dollars exceeded the previous year's record by \$58 million. They totaled an estimated \$3,545 million in fiscal year 1963 compared with \$3,487 million in 1962. Exports for dollars accounted for about 70 percent of total agricultural exports in 1962-63. Substantial increases in exports of feed grains, rice, soybeans, edible vegetable oils, protein meal, and vegetables were approximately offset by significant declines for cotton, wheat, wheat flour, poultry meat, tobacco, and inedible tallow and greases. This high export level occurred despite several major unfavorable developments in leading foreign markets. Of particular significance was the imposition by the European Economic Community of its system of variable levies on imports from outside countries. From August 1962 when the levies were imposed to July 1963, U.S. agricultural exports to the EEC declined 10 percent to \$1,079 million compared with \$1,204 million a year earlier. Commodities subject to variable levies were down 26 percent as a group. U.S. broiler and fryer exports to the EEC dropped by 70 percent in August-July 1963 from a year earlier and wheat flour by a third. The two-thirds decline in exports of wheat, however, reflected mainly the record level of production in the EEC. August-July feed grain exports to the EEC declined 4 percent owing to a sharp decrease in April and May. Exports of feed grains in prior months were well ahead of last year's level.

A second major development unfavorable to U.S. trade was increased cotton production in the foreign free world and reduced consumption in several major countries. The result was a substantial decline--1.2 million bales--in U.S. cotton exports.

A major trade crippling factor--although its effects were partly made up in later months--was the longshoremen's strike from late December to late January. Exports in January 1963 were reduced by \$177 million from a year earlier.

If it were not for these three major developments total agricultural exports in fiscal year 1963 would very likely have reached a new record. Contributing to the near record level were all-time highs in gold and dollar holdings



in most countries that buy U.S. commodities for dollars; continued strong economic activity in the more industrialized countries; sales for foreign currency to countries short of gold and dollars; and export market promotion activities.

The near record exports in fiscal year 1962-63 represented nearly 15 percent of total cash receipts from farm marketings. The foreign market provided an outlet for over half of the wheat, rice, dried peas, rye, and hops; over two-fifths of the dried whole milk, nonfat dry milk, and soybeans; and around one-third of the tallow, dried edible prunes, raisins; and about one-fourth of the cotton, tobacco, and grain sorghums.

Exports of wheat and flour totaled 638 million bushels somewhat below the previous record of 718 million bushels in 1961-62. About 75 percent of the wheat exports moved under government-financed programs, mainly Title I of Public Law 480. The U.S. export decline reflected the large world harvest in most exporting and importing countries. Nearly all of the decline occurred in dollar exports, especially to Western Europe.

Exports of feed grains advanced to a record 15.3 million metric tons, exceeding the previous record of 14.7 million tons a year earlier. Exports to the European Economic Community were up slightly, reflecting poor crops in Italy and France. There also were smaller availabilities of feed grain supplies from other major exporting countries.

U.S. exports of oilseeds and products advanced to a new record of \$778 million in fiscal year 1963 from the previous record of \$636 million a year earlier. The record resulted from larger exports of soybeans, protein meal, and soybean oil. Soybean exports in fiscal year 1963 of 171 million bushels were 24 million larger than the previous fiscal year record of 147 million. Developments behind the increased demand for oilseeds and products in recent years have been the expanding livestock industry in the industrialized countries of Western Europe and Japan, advances in living standards in many foreign countries, continued small availability of soybeans for export from Communist China, and a poor olive crop in the past year in the Mediterranean Basin.

U.S. exports of cotton in fiscal year 1963 totaled 3.6 million bales compared with 4.8 million in the previous year. The decline of 1.2 million bales resulted mainly from the substantial increase in foreign production and the drop in foreign consumption. Production in the foreign free world increased by over 2 million bales in the past season.

Export Payment Assistance to U.S. Agricultural Exports, 1961-62. U.S. domestic prices for some agricultural commodities are at times higher than prices of competing foreign products, especially for certain price-supported commodities. In such instances, the Government may provide export payment assistance for sales outside of Government programs (commercial sales for dollars) and sales under government-financed programs. A study of export payment assistance to agricultural exports for the year ending June 30, 1962, analyzes the various forms of export payment assistance, including payments in cash, payments in kind, and export-payment equivalents (CCC export



dispositions below domestic market prices), enumerates the conditions of eligibility for such assistance and analyzes by commodity the magnitude of export payment assistance; to dollar sales and exports under government-financed export programs for 1961-62.

Commercial sales for dollars in fiscal year 1961-62 amounted to \$3,491 million, 68 percent of total agricultural exports of \$5,141 million. The study showed that dollar exports which received export payment assistance amounted to \$1,056 million (21 percent of the export total) and dollar exports that received no export payment assistance amounted to \$2,435 million (47 percent). Exports under government-financed programs during 1961-62 amounted to \$1,650 million (32 percent of the export total). Government program exports assisted by export payments totaled \$987 million (19 percent), program exports not receiving export payments totaled \$319 million (6 percent) and program shipments moving as donations totaled \$344 million (7 percent of the export total).

Exports of two major surplus commodities, wheat (including flour) and cotton, assisted by export payments totaled \$1,749 million. This was 86 percent of the \$2,043 million of agricultural exports receiving export payment assistance. Export payments on 1961-62 exports are estimated at \$688 million, of which payments on wheat (including flour) and cotton totaled \$572 million.

U.S. Agricultural Exports Under Government-Financed Programs 1954-55 Through 1961-62. Continuing USDA efforts in cooperation with trade and agricultural groups to move America's agricultural abundance into consumption abroad and high levels of economic activity and foreign purchasing power in many important foreign markets are reflected in the record levels of agricultural exports in 1961-62, the eighth year since the inception of P.L. 480. During the 8 years ending 1962, commercial sales for dollars totaled \$22.5 billion, or two-thirds of U.S. agricultural exports, while shipments under government-financed programs amounted to \$11.2 billion, or one-third of the total. Agricultural exports increased by \$3.2 billion between the 3 fiscal years ending June 30, 1962, and the 3 fiscal years ending June 30, 1957. Of this increase, \$2.9 billion, or 90 percent, occurred in commercial sales for dollars. Only \$0.3 billion, or 10 percent of the total gain, was in government program exports.

The bulk of U.S. exports of agricultural commodities under government programs during the past 8 years consisted of sales for foreign currency under Title I of P.L. 480 and Mutual Security (AID) Programs. Title I sales for foreign currency were one-half of all government program exports during the period; an additional 18 percent, principally sales for foreign currency, moved under Mutual Security (AID) Programs. Three commodity groups, wheat and flour, cotton, and feed grains, made up 70 percent of total shipments under government-financed programs during the 8 year period.

Agricultural Imports Increased by 4 percent in Fiscal Year 1962-63 Over the Previous Year. A continuing analysis shows agricultural imports for consumption for the year ended June 30, 1963, rose to \$3.9 billion from \$3.8 billion a year earlier, or a gain of 4 percent. All of the increase occurred in

supplementary (partially competitive) imports as complementary (noncompetitive) products declined by 1 percent last year. Increases in the supplementary imports were brought about by the substantial advances in animals and animal products (especially boneless beef and veal) and cane sugar. In recent years, there has been a rapid increase in imports of beef and veal, especially low-grade boneless beef used for manufacturing meat products. Total imports of beef and veal were a record 1,029 million pounds (product weight) in fiscal year 1962-63, a gain of 241 million pounds from a year earlier. These imports prior to 1955 were only slightly over 100 million pounds. A substantial part of this increase has come about to meet the unusually strong U.S. demand for meat products such as prepared hamburgers, luncheon meats, and frankfurters. At the same time, the slaughter of low-grade cattle, mainly canner and cutter grades, has been at a relatively low level for the past few years. A modification in the Australian and United Kingdom meat agreement in 1958 permitted Australia to divert low-grade beef and mutton from the United Kingdom to any destination, including the United States. Since then Australia has been the major foreign supplier of beef to the United States. The other principal suppliers have been New Zealand, Ireland, and Argentina.

The volume of complementary imports increased; however, the value declined because of lower prices for all major categories. Overproduction and large surpluses of many complementary commodities for the past decade have resulted in a substantial price decline because of the relatively high inelastic demand for many of these commodities, particularly coffee.

#### B. U.S. and World Trade Statistics.

Common Market Source Book Published. To provide essential statistical and other materials for analyzing the impact of the EEC's new Common Agricultural Policy on U.S. agricultural trade, a Common Market source book was compiled, showing agricultural imports of the EEC from all countries of the world as well as information on financial transactions of EEC countries. These trade data include annual commodity summaries, quantity and value, for the years 1951 to 1960. A supplement for calendar 1961 and 1962 is now in process and will be published later in 1963.

An analysis of the U.S. trade with the European Economic Community revealed some of the significant aspects that the EEC's Common Agricultural Policy system of variable levies and other trade restrictions may have on U.S. trade in agricultural products with this important market. Approximately 70 percent of U.S. agricultural exports to the EEC will not be restricted by variable import levies, principally cotton, soybeans, fruits, vegetables, tallow, lard, and expressed vegetable oils. The variable levies were imposed July 30 on wheat and flour, feed grains, poultry, eggs, and pork. Wheat and feed grains accounted for 90 percent of U.S. exports of the five variable levy commodities to the EEC. The restrictions on wheat and feed grains gave rise to particular concern as the EEC area is the major dollar market for these commodities. However, the United States in the years ahead is likely to remain a favorite supplier of feed grains and quality wheat, neither of which

can be produced in sufficient amounts in the EEC. Restrictions on wheat and flour and poultry meat will likely reduce U.S. exports.

A special study of the pattern of EEC agricultural imports in the past decade was made to show the U.S. position in this integrated market. The study revealed that on the whole the United States held its position in the EEC import market from 1951 to 1961, while other countries as a group fell short of maintaining their collective share. The major factors underlying this trade pattern were the general economic development and comparative efficiency of production in the supplying countries. United States products which are not produced at all or produced only in quantities short of EEC needs such as grains, cotton, rice, oilseeds, fats, oils, and meats found a substantial outlet in the European Economic Community. As the economy of the six countries expands, the United States can look forward to large sales of many favorably situated commodities such as cotton, soybeans, oilseed meal, hides and skins, and certain fruits. Over 60 percent of U.S. exports to the Common Market are admitted on favorable terms, because they are not competitive with local production. It is expected that the Trade Expansion Act of 1962 will help to maintain favorable U.S. access for wheat, wheat flour, feed grains, tobacco, poultry, eggs, and pork.

A special study is underway to show the impact of the Common Agricultural Policy system of variable levies on U.S. agricultural trade for a one year period since the imposition of these restrictions. This analysis will show the overall impact of the variable levy system as well as other pertinent economic factors affecting U.S. agricultural trade with the European Economic Community since the imposition of the variable levies. It is expected that this study will appear in the Foreign Agricultural Trade of the United States late in 1963.

C. Analysis of World Agricultural Prices. The compilation and analysis of international prices for various agricultural commodities is underway to determine the relationship of various prices to the level of U.S. agricultural exports, especially commercial sales for dollars. Tabulation of prices for the major commodities accounting for the bulk of U.S. agricultural trade is being made at the major agricultural markets for U.S. agricultural trade. Particular emphasis will be placed on developing a price series for the European Economic Community and other trade blocs to show the competitive position of U.S. farm products. Classification of prices according to commodity grades and qualities is to be made available for individual commodities on a monthly and annual basis; these data are to be incorporated into an overall price index series. The actual price data and annual price index series will be used to prepare analytical reviews of the trends in world agricultural prices as related to the pattern of U.S. agricultural trade in the principal world markets.

D. Effects of EEC on U.S. Agricultural Trade. A Common Market source book was published to provide essential trade statistics and other materials for analyzing the impact of the EEC's new Common Agricultural Policy on U.S. agricultural trade for 1951 through 1962. A special study is underway to



show the impact of the Common Agricultural Policy system of variable levies on U.S. agricultural trade for a recent one year period (1962). These studies are described more fully in Section B above.

A study is underway to provide timely information on the kind and volume of competition which U.S. agricultural exports face in the Common Market. In connection with this study, information and data are being developed on changes in prices and the use of export payments and other devices for promoting trade in farm products in EEC member countries. Appraisals are needed to assess the probable effects of different pricing and duty arrangements that might be adopted by the Common Market on agricultural exports from the United States. This study will provide guidance to U.S. farmers, public agencies, and exporters concerning export situations and prospects in the years ahead and provide an informed basis for deciding how U.S. economic interests can best be protected.

#### E. Contracts.

Contracts with the Bureau of the Census and Other Agencies. Projects were inaugurated in the past year to expand the work done by automatic data processing. Additional work was contracted with the Bureau of the Census to provide summaries of U.S. agricultural trade with the European Economic Community and other countries that are potential members. In addition, cooperation with the Department of Commerce and the Bureau of the Census was begun to develop special tabulations of imports of agricultural commodities into the major West European countries from magnetic tape purchased from the Organization for Economic Cooperation and Development (OECD). Further, studies were made on the feasibility of having exports under government-financed programs tabulated by automatic data processing equipment.

#### F. Other.

Improved and Expanded Services. Besides the basic analytical and statistical projects in this area, a number of significant advances during the year resulted in expanding and improving services to the public, Congress, trade groups, and Government agencies. These services included periodic briefings (written and oral) on the U.S. agricultural trade situation to key personnel in the Economic Research Service and the Foreign Agricultural Service. Several studies on the impact of the variable import levies imposed by the European Economic Community on U.S. agricultural exports have been made for key individuals in the Secretary's Office. Special estimates of exports of agricultural commodities under government programs and commercial sales for dollars were developed for the Department of Commerce in connection with a special study on the U.S. balance of payments. Data on Food For Peace shipments and commercial sales for dollars by area and country, including commodity breakdowns were tabulated for the Food for Peace Office at the White House. A past study including the methodology used in developing the degree of protectionism in the United States and other major trading countries was provided to FAS and the Secretary and finally used as a model in updating a report on the degree of protectionism in the United States and other



countries released in September 1963. Steps were taken to improve the accuracy, comparability, and timeliness of government program statistics by organizing a special task force of interested parties responsible for the sources and uses of government program statistics.

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- (2) "Export and Import Highlights and Digests of U.S. Agricultural Trade," Foreign Agricultural Trade of the United States. October 1962-September 1963.
- (3) "Farm Exports Riding New Crest," Farm Index. October, 1962.
- (4) "Importance of Agricultural Exports to U.S. Agriculture," Remarks by Robert L. Tontz to the Division of Agricultural Economics, University of Georgia. October 26, 1962. (Mimeograph).
- (5) "U.S. Exports and the EEC," Farm Index. November, 1962.
- (6) The Agricultural Outlook for 1963. Presented at the 40th Annual Agricultural Outlook Conference, Washington, D.C. Robert L. Tontz with James P. Cavin and others. November, 1962. This was a contributed section on the foreign agricultural trade outlook for fiscal year 1962-63.
- (7) "Our Foreign Trade," Agricultural Outlook Chartbook 1963. U.S.D.A. November, 1962.
- (8) "U.S. Agricultural Exports Under Government-Financed Programs 1954-55 Through 1961-62," Foreign Agricultural Trade of the United States. Eleanor N. DeBlois. November-December, 1962.
- (9) "U.S. Agricultural Export Prospects for Fiscal Year 1962-63," Foreign Agricultural Trade of the United States. November-December, 1962.
- (10) "Outlook for Exports," Farm Index. December, 1962.
- (11) "Outlook for Imports," Farm Index. December, 1962.
- (12) Statistics on the European Economic Community, Volume I: Agricultural Trade and Finance. ERS-Foreign-43. December, 1962.
- (13) "Comments on Research Needed to Shape U.S. Agricultural Policy in Relation to the European Common Market," Kenneth L. Bachman. Speech to Western Agricultural Economic Research Council. January 9, 1963. (Mimeograph)
- (14) "U.S. Agricultural Exports by Destination Since 1950," Foreign Agricultural Trade of the United States. Dewain H. Rahe and Alex D. Angelidis. January, 1963.

(15) "Export Fact Sheet, Fiscal Year 1962," Foreign Agricultural Trade of the United States. January, 1963.

(16) "Import Fact Sheet, Fiscal Year 1962," Foreign Agricultural Trade of the United States. January, 1963.

(17) "Annual Supplement, Trade by Commodities," Foreign Agricultural Trade of the United States, Fiscal Year 1961-62. January, 1963.

(18) "Export Prospects for Fiscal Year 1962-63," Agricultural Situation. Robert L. Tontz. January, 1963.

(19) "U.S. Agricultural Exports Totaled \$5 Billion in 1962," Foreign Agricultural Trade of the United States. February, 1963.

(20) "U.S. Agricultural Imports by Origin, 1958-61," Foreign Agricultural Trade of the United States. February, 1963.

(21) "Imports of Fruits and Vegetables Under Quarantine, Fiscal Year 1961-62," Foreign Agricultural Trade of the United States. February, 1963.

(22) "The Common Market and Its Possible Implications to Southern Agriculture" Kenneth L. Bachman. Speech to Association of Southern Agricultural Workers, Memphis, Tennessee. February 5-6, 1963. (Mimeograph).

(23) "Agricultural Imports in 1962 Increased by 5 Percent," Foreign Agricultural Trade of the United States. Dewain H. Rahe. March, 1963.

(24) "Agricultural Exports Totaled \$5 Billion in 1962," Agricultural Situation. Robert L. Tontz. March, 1963.

(25) "U.S. Farm Exports in Calendar 1962 Repeat 1961's Record Performance," Farm Index. March, 1963.

(26) "The European Common Market and U.S. Agricultural Trade," Robert L. Tontz. Talk to National Association of Colleges and Teachers of Agriculture at Fort Hays, Kansas. April 1, 1963. (Mimeograph).

(27) "Agricultural Imports of the European Common Market," Foreign Agricultural Trade of the United States. Jiryis S. Oweis and Alex D. Angelidis. April, 1963.

(28) "Annual Supplement, Trade by Countries, Fiscal Year 1961-62," Foreign Agricultural Trade of the United States. April, 1963.

(29) "U.S. Trade and the Big Six," Farm Index. April, 1963.

(30) "U.S. Farm Imports in 1962 were 5 Percent Above 1961 When Our Purchases from Abroad Sank to 12-Year Low," Farm Index. May, 1963.

(31) "Export Payment Assistance to U.S. Agricultural Exports," Foreign Agricultural Trade of the United States. Eleanor N. DeBlois and Robert L. Tontz. June, 1963.

(32) "The European Common Market and U.S. Agricultural Trade," The Journal of the National Association of Colleges and Teachers of Agriculture. June, 1963.

(33) "U.S. Agricultural Exports in Fiscal Year 1963-63 Nearly Equal Previous Year's Record," Foreign Agricultural Trade of the United States. Robert L. Tontz and Dewain H. Rahe. August, 1963.

(34) "U.S. Agricultural Exports by World Areas 1956-57 Through 1961-62," Foreign Agricultural Trade of the United States. Dewain H. Rahe and I.E. Lemon. August, 1963.

(35) "Agricultural Imports Increased by 4 Percent in Fiscal Year 1962-63," Foreign Agricultural Trade of the United States. September, 1963.

(36) "U.S. Farm Exports Again Near Record," Foreign Agriculture. Robert L. Tontz and Dewain H. Rahe. September 2, 1963.

(37) "U.S. Agricultural Exports Near Peak Level," Farm Index. September, 1963.

(38) "Foreign Trade," (Section 3) Handbook of Agricultural Charts. Agricultural Handbook No. 258. U.S.D.A. September, 1963.

Line Project Check List--Reporting Year October 1, 1962 to September 30, 1963

Work & Line Project Number	Work and Line Project Titles	Work Locations During Past Year	Line Proj. Summary of Progress	Incl. in Area & Subheading
DTA 1	Foreign Economic Development Research	Washington, D.C.	Yes	1-A, C, D
DTA 1-1	Analyses of the Role of Agriculture in Foreign Economic Development and Growth	Washington, D.C.	Yes	1-A
DTA 1-3	Analysis of Ways of Increasing Farm Productivity to Meet World Food Needs	Washington, D.C.	Yes	1-D
DTA 1-4	Effects of Foreign Economic Development On Demand for U.S. Farm Products	Washington, D.C.	Yes	1-B
(DTA-0-0-1-(AID))	Factors Associated with Differences and Changes in Agricultural Production in Underdeveloped Countries	Washington, D.C.	Yes	1-E
S5-ERS-2(a)	Marketing Rice in Colombia	Bogota, Colombia	Yes	1-F
E8-ERS-1	The Relation of Management and Planning to Success in Farming	Helsinki, Finland	Yes	1-F
E8-ERS-2	Study of the Economics of Alternative Use of Land for Agriculture and Forestry	Helsinki, Finland	Yes	1-F
A10-ERS-1(k)	Social Factors Which Promote or Impede Changes in Agriculture Organization and Production	Hebrew University, Jerusalem, Israel	Yes	1-F
A10-ERS-2(k)	Evaluation of Long-Term Programs for Agriculture with Respect to Requirements and Supply of Capital	Hebrew University, Jerusalem, Israel	Yes	1-F
A10-ERS-3(k)	Quantitative Analysis of Optimal Water Resource Development and Allocation	Hebrew University, Jerusalem, Israel	Yes	1-F
A10-ERS-4(k)	Comparative Analyses of Processes of Agricultural Development and Modernization in Israel	Hebrew University, Jerusalem, Israel	Yes	1-F
S25-ERS-1(k)	Food Consumption in Relation to Family Income in the Rural Population in Spain	Madrid, Spain	Yes	1-F
A18-DTA-1(a)	Economic Analysis of the Effects of Philippine Economic Development on the Demand for U.S. Farm Products. Proj. No. 311343-54	Manila Philippines	Yes	1-F
DTA 2	Foreign Economics Export Programs Research	Washington, D.C.	Yes	2-A
A10-DTA-1(a)	Analysis and Assessment of the Effectiveness of Title I, P.L. 480 Operations in Israel	Tel Aviv & Jerusalem, Israel	No	
A22-DTA-1(a)	Analysis and Assessment of the Effectiveness of Title I, P.L. 480 Operations in Turkey	Ankara & Istanbul, Turkey	Yes	2-A
S5-DTA-1(a)	Analysis and Assessment of the Effectiveness of Title I, P.L. 480 Operations in Colombia	East Lansing, Michigan, Bogota and Medellin, Colombia	Yes	2-A
E25-DTA-1(a)	Analysis and Assessment of the Effectiveness of Title I, P.L. 480 Operations in Spain	Madrid, Spain	Yes	2-A
A7-DTA-1(a)	Analysis and Assessment of the Effectiveness of Title I, P.L. 480 Operations in India	Poona, India	Yes	2-A
E11-DTA-1(a)	Analysis and Assessment of the Effectiveness of Title I, P.L. 480 Operations in Greece	Athens, Greece	Yes	2-A
DTA 3	International Monetary Research	Washington, D.C.	Yes	3-A, B, C, & F
DTA 3-1	Analysis of the Role of Agricultural Credits in the Development of the Agricultural Economy of Foreign Countries	Washington, D.C.	Yes	3-D
DTA 4	Trade Statistics and Analysis	Washington, D.C.	Yes	4-B & C
DTA 4-1	Analysis of U.S. Agricultural Trade	Washington, D.C.	Yes	4-A & D





